

Washington State Liquor Control Board

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SEP 22 1972

Town: Olympia

WASHINGTON STATE
LIQUOR CONTROL BOARD

Date: September 21, 1972

To: Chairman Jack Hood

From: I. W. (Bob) Hilson

Subject: Comment on Letter from Attorney William Roberts (Teamsters' Union), dated September 18, 1972, in re Cash Regulations

Mr. Roberts has never previously indicated to me that the petitioner's had found our suggested "letter of credit" amendments to be unsatisfactory. My notes have recorded in brief the substance of my discussions with him.

Actually, he has probably conferred with his own people and they have determined to pursue their own course in this matter.

I note in his closing statement that he concludes that the present rules are no longer reasonable and that they do not achieve any substantial benefit for any party. He has apparently overlooked the problems of control and enforcement which would face the Board if his amendments were accepted.

Also, it is quite obvious that he has not consulted with the wholesalers before making such a statement. Disregarding all other arguments pro or con, it appears to me that if the Union proposal is adopted it would be grossly unfair to expect the wholesalers to continue to serve as collectors of the 26 per cent wine tax for the State Department of Revenue. The amendments if adopted would place the wholesalers in the unenviable position of possibly having to advance money from their own resources each month to pay taxes on behalf of the retailers.

In addition to being burdened with financing such tax payments, a wholesaler would risk losing money on the taxes as well as the base amount of the account itself.

I seriously question the legality of a wholesaler paying uncollected taxes on behalf of a retail licensee, as this certainly would represent the advance of money, which is prohibited by RCW 66.28.010.

In recognition of the problems that would be created under the proposed credit arrangement, I feel that we should maintain the present cash requirement. The parties involved can seek legislation if they so desire.

B. Hilson
I. W. (Bob) Hilson, Supervisor
Beer and Wine Division

IWB:ah
cc: Board Members
Legal

DEFENDANT'S EXHIBIT	
CASE NO.	C04-0360P
EXHIBIT NO.	466

Resp to Costco RFP
2543